

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF PENNSYLVANIA

In re Annagen, LLC

**AMENDED**

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month.  
Submit copy of report to any official committee appointed in the case.

Case No. 1:19-bk-0361  
Reporting Period: September 2019

Debtors Name: Annagen, LLC, Debtor Case No. 1:19-bk-0361			
<b>Schedule of Cash Receipts and Disbursements</b>			
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1	X	
Schedule of Professional Fees Paid	MOR-1a	X	
Copies of bank statements	MOR-1b	X	
Cash disbursements journals		X	
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable	MOR-4	X	
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor  Date Dec 10, 2019

Signature of Joint Debtor \_\_\_\_\_ Date \_\_\_\_\_

Signature of Authorized Individual\* \_\_\_\_\_ Date \_\_\_\_\_

Printed Name of Authorized Individual \_\_\_\_\_ Title of Authorized Individual \_\_\_\_\_

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation, a partner if debtor is a partnership, a manager or member if debtor is a limited liability company

In re: Annagen, LLC

Case No. 1:19-bk-0361

HWV

Debtor

Reporting Period: September 2019.

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

	BANK ACCOUNTS			CURRENT MONTH		CUMULATIVE FILING TO DATE		
	OPTR	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
<b>CASH BEGINNING OF MONTH</b>	49,681							
<b>RECEIPTS</b>								
CASH SALES	9							
ACCOUNTS RECEIVABLE	282,920							
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)								
TRANSFERS (FROM DIP ACCTS)								
<b>TOTAL RECEIPTS</b>	282,920							
<b>DISBURSEMENTS</b>								
NET PAYROLL	45,769							
PAYROLL TAXES	8,199							
SALES, USE, & OTHER TAXES								
INVENTORY PURCHASES								
SECURED/RENTAL/ LEASES								
INSURANCE								
ADMINISTRATIVE								
SELLING								
OTHER (ATTACH LIST)	235,194							
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)								
PROFESSIONAL FEES								
U.S. TRUSTEE QUARTERLY FEES								
COURT COSTS								
<b>TOTAL DISBURSEMENTS</b>	289,162							
NET CASH FLOW	-39,527							
(RECEIPTS LESS DISBURSEMENTS)								
<b>CASH - END OF MONTH</b>	43,448							

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

**DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)**

<b>TOTAL DISBURSEMENTS</b>	289,162
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	0
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	289,162

FORM MOR-1

## **BANK RECONCILIATIONS**

**Bank Reconciliation**

**Continuation Sheet for MCR-1**

**FORM MOR-1B**



## STATEMENT OF OPERATIONS

(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses regardless of when cash is actually received or paid.

## Cumulative

## REVENUES

	Month	Filing to Date
Gross Revenues	\$ 301,818.00	\$
Less: Returns and Allowances		
Net Revenue	\$ 301,818.00	\$

## COST OF GOODS SOLD

Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold	\$ 154,732.00	
Gross Profit	\$ 147,086.00	

## OPERATING EXPENSES

Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs	\$ 13,966.00	
Insider Compensation*		
Insurance	\$ 5,164.00	
Management Fees/Bonuses		
Office Expense	\$ 1,325.00	
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense	\$ 24,948.00	
Salaries/Commissions/Fees	\$ 74,487.00	
Supplies		
Taxes - Payroll	\$ 4,779.00	
Taxes - Real Estate		
Taxes - Other	\$ 521.00	
Travel		
Utilities	\$ 288.00	
Other (attach schedule)	\$ 6,191.00	
Total Operating Expenses Before Depreciation	\$ 131,669.00	
Depreciation/Depletion/Amortization	\$ 25,000.00	
Net Profit (Loss) Before Other Income & Expenses	\$ (9,583.00)	

## OTHER INCOME AND EXPENSES

Other Income (attach schedule)	\$ 8.00	
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	\$ (9,575.00)	

## REORGANIZATION ITEMS

Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)	\$ (9,575.00)	\$

\*"Insider" is defined in 11 U.S.C. Section 101(31).

## STATEMENT OF OPERATIONS - continuation sheet

Cumulative BREAKDOWN OF "OTHER" CATEGORY	Month	Filing to Date
<b>Other Costs</b>		
<b>Other Operational Expenses</b>		
<b>Other Income</b>		
Interest Income	\$ 8.00	
<b>Other Expenses</b>		
Late Fees	\$ 1,121.00	
Credit Card Processing Fees/Bank Fees	\$ 3,841.00	
Dues & Subscriptions	\$ 1,229.00	
<b>Other Reorganization Expenses</b>		

**Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:**

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

## BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH		BOOK VALUE ON PETITION DATE
	MONTH	BOOK VALUE AT END OF CURRENT REPORTING	
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents		\$ 43,448.00	
Restricted Cash and Cash Equivalents (see continuation sheet)			
Accounts Receivable (Net)		\$ 372,500.00	
Notes Receivable			
Inventories			
Prepaid Expenses		\$ 748.00	
Professional Retainers			
Other Current Assets (attach schedule)		\$ 87,083.00	
<b>TOTAL CURRENT ASSETS</b>		\$ 503,779.00	\$
<b>PROPERTY AND EQUIPMENT</b>			
Real Property and Improvements			
Machinery and Equipment		\$ 3,610,530.00	
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less Accumulated Depreciation		\$ 2,971,237.00	
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>		\$ 11,430,752.00	\$
<b>OTHER ASSETS</b>			
Loans to Insiders*			
Other Assets (attach schedule)			
<b>TOTAL OTHER ASSETS</b>		\$	\$
<b>TOTAL ASSETS</b>		\$1,594,259.00	
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable		\$ 13,025.00	
Taxes Payable (refer to FORM MOR-4)		\$ 12,094.00	
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment		\$ 26,265.00	
Secured Debt / Adequate Protection Payments			
Professional Fees			
Amounts Due to Insiders*			
Other Postpetition Liabilities (attach schedule)		\$ 240,929.00	
<b>TOTAL POSTPETITION LIABILITIES</b>		\$ 292,313.00	\$
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt		\$ 1,684,575.00	
Priority Debt		\$ 573,970.00	
Unsecured Debt		\$ 4,830,327.00	
<b>TOTAL PRE-PETITION LIABILITIES</b>		\$ 7,088,872.00	\$
<b>OWNER EQUITY</b>		\$ 7,381,185.00	\$
Capital Stock			
Additional Paid-In Capital			
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition		\$ (6,228,538.00)	
Retained Earnings - Postpetition		\$ (9,575.00)	
Adjustments to Owner Equity (attach schedule)			
Postpetition Contributions (Distributions) (Draws) (attach schedule)			
<b>NET OWNER EQUITY</b>		\$ (6,238,113.00)	\$
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		\$1,143,072	

\*"Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-3

## STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero. Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding	0	7515	3615	9/19/2019	94545705	3900
FICA-Employee	0	4774	2292	9/19/2019	94545705	2481
FICA-Employer	0	4774	2292	9/19/2019	94545705	2481
Unemployment	0	4				4
Income	0					
Other:	0					
<b>Total Federal Taxes</b>	<b>0</b>	<b>17067</b>				<b>8867</b>
<b>State and Local</b>						
Withholding	0	1786				176
Sales	0	432				432
Excise	0					
Unemployment	0	36				36
Real Property	0					
Personal Property	0					
Other: LEIT & LST	0	973				973
<b>Total State and Local</b>	<b>0</b>	<b>3226</b>				<b>3226</b>
<b>Total Taxes</b>	<b>0</b>	<b>20,293</b>	<b>8199</b>			<b>12,094</b>

## SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	13025					13025
Wages Payable						
Taxes Payable	12094					12094
Rent/Leases-Building	13033					13033
Rent/Leases-Equipment	13232					13232
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders*						
Other:						
Other:						
<b>Total Postpetition Debts</b>	<b>51384</b>					<b>51384</b>

Explain how and when the Debtor intends to pay any past-due postpetition debts.

\*"Insider" is defined in 11 U.S.C. Section 101(31).

## ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	644,048
+ Amounts billed during the period	544,879
- Amounts collected during the period	3,654,240
Total Accounts Receivable at the end of the reporting period	823,687

  

Accounts Receivable Aging	Amount
0 - 30 days old	329,567
31 - 60 days old	7,535
61 - 90 days old	342,477
91+ days old	467,378
Total Accounts Receivable	823,687
Amount considered uncollectible (Bad Debt)	278,545
Accounts Receivable (Net)	545,142

## DEBTOR QUESTIONNAIRE

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below. DIP Account application in process	X	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

FORM MOR-5